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World Rice Economy Tight

U.S. Cotton Sales to Europe May Double

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In this issue:

2 Tight World Rice Economy May Continue in 1973 By James W. Willis

5 The EC Nine and EFTA Negotiate on Farm Trade

6 U.S. Cotton Sales May Double in the Important West European Market By H. Reiter Webb, Jr.

8 U.S. Farm Exports Surge to High of $9.4 Billion in Calendar 1972 By Dewain H. Rahe

11 Austria Offers Potential as Expanded Market for U.S. Agricultural Exports By James F. Lankford

13 Crops and Markets

This week's cover:

Rice field in central Java, Indonesia. Reduced rice crops in a number of Asian countries—including some that are normally large suppliers—are contributing to a tightening of the world rice market that could last through 1973. See story beginning this page.

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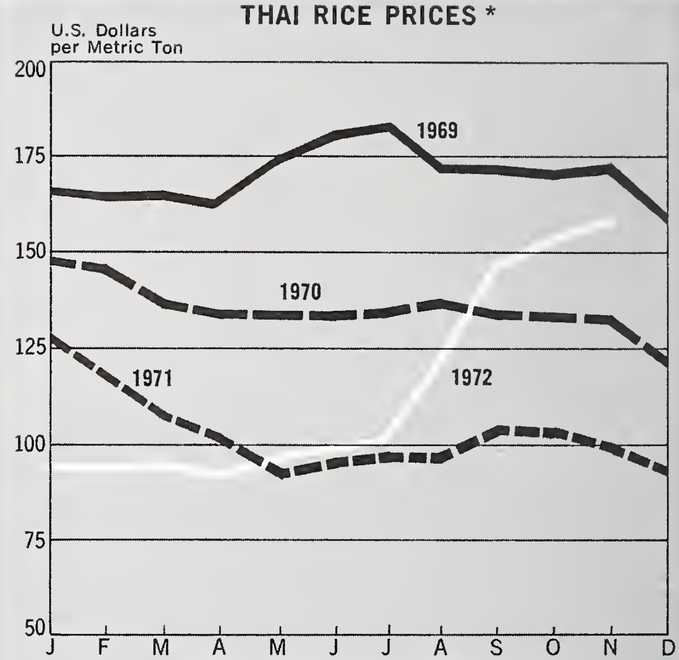
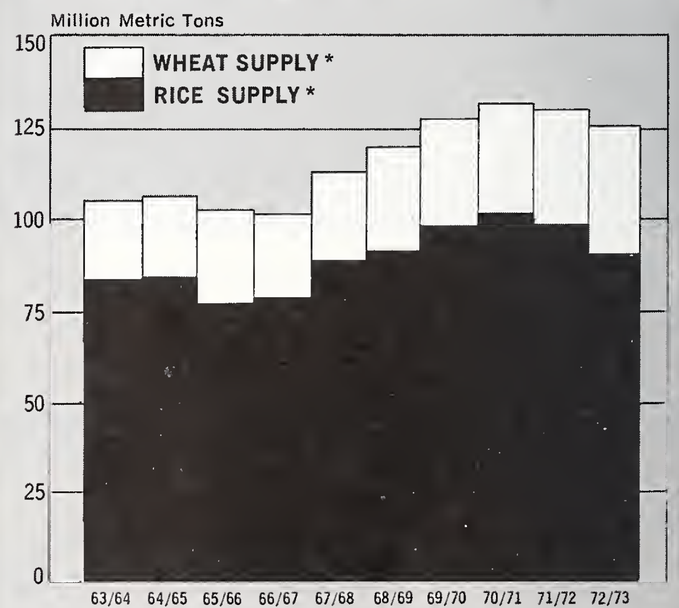
THAI RICE PRICES *



* 10 percent broken white, F.O.B. Bangkok, bagged.

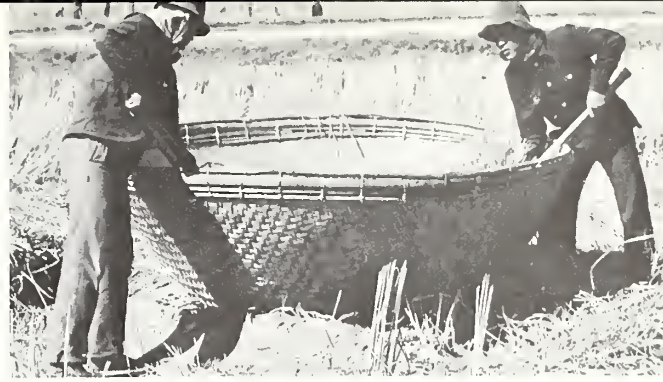
RICE AND WHEAT SUPPLIES IN SOUTHEAST ASIA



* Production plus net imports.
Excludes Japan and People's Republic of China.

Tight World Rice Economy May Continue in 1973

By JAMES W. WILLIS
Grain and Feed Division
Foreign Agricultural Service



Thailand, world's biggest exporter (top) and Japan (above) are among many countries involved in the changing world rice supply-demand picture.

After 5 years of relatively heavy supplies and declining prices, the world rice economy in recent months has been characterized by reduced exportable supplies, increased import demand, and relatively high world prices. This tightening in the international rice market results mainly from a reduction of 4.2 percent in the 1972-73 world rice harvest, coupled with a continued average annual growth of over 2.5 percent in world rice consumption needs.

Preliminary estimates put 1972-73 output—including that of the People's Republic of China—at 281 million tons. This is 12 million tons less than in 1971-72, when production showed a 6-million-ton decline after having risen about 12 million tons a year to four consecutive records, starting 1967-68.

Since the bulk of the 1971-72 world production decline was outside the Asian region, many countries in Southeast Asia had until recently remained rather optimistic about their ability to reduce imports through increasing output this season. But this season the Asian region has been the most seriously affected by poor harvests.

The crop in the People's Republic of China, world's largest rice-producing country, may be down from last year's record, judging by the inability of traders to obtain rice at last fall's Canton Fair. In South and Southeast Asia, where the 1971-72 crop was already down 3.9 million tons from the previous year's record, the 1972-73 crop is expected to be still further down, by about 6.7 million tons, owing primarily to a poor monsoon.

Even before the unsatisfactory monsoon season, floods, disease, and disruption from military activity were already lowering potential output and reducing supplies in a few large producing countries in Asia, namely the Khmer Republic, the Philippines, and Bangladesh. Then, a long delay in monsoon rains retarded this year's crop and increased the awareness of Asians and the world that crops would also be reduced in other large consuming countries in Asia —primarily India, South Korea, and Indonesia.

By the last quarter of 1972, import schedules in most Asian countries had increased to meet the expected 1973 deficit, setting back at least for the present the goals of self-sufficiency in a few Asian nations. Indonesia, for example, through good crops over the past few seasons, had reduced its import needs to about 500,000 tons by 1971. Yet by mid-December 1972, it had contracted to buy 1.5 million tons of rice for meeting its 1973 needs.

Increased production since the problem period of the mid-1960's had also helped other countries in Southeast Asia meet more of their foodgrain requirements, which have been increasing by over 4 million tons yearly. During 1966-71, combined net imports of wheat and rice for all of Southeast Asia decreased by about 5 million tons.

The Green Revolution provided Asia with the opportunity to increase rice production and meet its growing consumption requirements; and many Asian countries made impressive production gains during the past few years. But this year's experience shows that this progress has not yet insulated the Asian area from the effects of occasional bad weather.

The recent poor rice crop in Asia could lead to significantly reduced food supplies in those areas for most of calendar 1973, since rice accounts for about two-thirds of the total grain supply. Although little is known about total quantities in private stocks, the 1972-73 rice crop decline, in view of the amount now needed, could affect food supplies as much as the crop decline of the mid-1960's.

Crops of other grains are down this year in many Asian countries. Also, supplies of foodgrains other than rice are less available from foreign sources now than they were during the poor monsoon years and low rice crops of the mid-1960's; and a general increase in world foodgrain prices this season means that additional amounts of scarce foreign exchange will be needed for commercial purchases to cover the larger needs.

Asia imports less than 5 million tons of rice annually during normal years, or less than 2 percent of its production of about 275 million tons. Because of this high output level, fluctuations in any of the larger producing countries in the area can have a pronounced effect on annual import needs.

A heavy drawdown in stocks in a few importing countries will be needed to help offset this year's food production decline in Southeast Asia. However, an increase in world rice trade by an amount large enough to overcome this year's foodgrain deficit may not be possible, for supplies among exporting countries are short.

As in the mid-1960's, Asian importers are having increased difficulties in offsetting this year's shortfall with commercial imports from neighboring Far

Eastern suppliers. Asian exporters, such as Thailand and Burma, which normally supply about 1.5 million tons—roughly 40 percent of annual Southeast Asian imports—also had bad crops this year. The Khmer Republic, formerly a major exporter, will need to import a sizable tonnage of rice just to meet domestic requirements in 1973, owing to a shortfall of about 800,000 tons in the recent harvest.

JAPAN, WHICH HAS HAD heavy rice stocks in recent years, has been under a great deal of pressure to supply rice to Asian importers. But Japan's old-crop rice stocks, estimated at about 2.8 million tons as of November 1, 1972, cannot entirely be regarded as supplies available for meeting the import needs of Southeast Asia.

The Japanese Food Agency may prefer to sell old-crop rice to domestic feed mixers for cash rather than export it under concessional terms. In its 1972-73 rice year (which began in November 1972), Japan planned to release over 1 million tons of rice for feed, 200,000 tons for industrial uses, and 450,000 tons for export.

Increased feeding of old-crop rice would either reduce stocks further than planned, or reduce the amounts exported, or both. Even at the lower rate of surplus disposal planned for this year, Japan will reduce its stocks of short-grain rice to an estimated 1.4 million tons at the end of October 1973, over 7 million tons 2 years ago.

Pakistan is one possible source of long-grain rice for some Asian markets. The Government of Pakistan may release over 350,000 tons of rice (milled basis) from this year's 2.3-million-ton crop to the Trading Corporation of Pakistan and private exporters. Much of this will be high-quality Basmati and Begmi rice, two long-grain types usually shipped to commercial markets in the Middle East. Stocks of coarse rice from the 1971 harvest have been depleted because of recent sales to Bangladesh, Indonesia, and Sri Lanka.

Improved growing conditions could enable Australian rice to take up part of the slack in Asia in 1973, for in October plantings in New South Wales (90 percent of Australia's rice area) were greater than the record 95,000 acres planted in 1970-71. Production is forecast at 290,000 metric tons, to be harvested in April. This would make available for export in 1973 another 40,000 tons above last year's level.

Stocks of short-and semilong-grain Italian rice available for export could also be up from last year's level of 375,000 tons. Poor weather is reported to have reduced the quality of this year's rice crop; and possibly in view of this quality decline or the current rise in world prices, the EC reduced the rice export restitution from $80 per ton on November 1 to only $1 per ton on November 10. Certificates issued for export in September-December 1972 were down about 120,000 tons from the same period last season. That season, Italy's sales to the Asian area were helped by a special subsidy of approximately $150 per ton.

Rice stocks in Japan, Australia, and Italy are primarily short grain and are not always acceptable in many commercial and some concessional import markets in Southeast Asia. In past years a shortage of long- to medium-grain rice caused consumers in some Asian markets to switch to other cereals rather than buy short-grain rice. Such a switch may be difficult this year, with world wheat stocks at the lowest level since the early 1950's and prices unusually high.

THE STRONG WORLD IMPORT demand—especially in Asia—has pushed world rice prices up sharply. For example, Thailand's white rice, 10 percent broken, bagged, f.o.b. Bangkok, which serves as a chief indicator of world market values for rice, rose from about $97 per ton in July to $145 in September and $166 in December, instead of following the downward cyclical movement of the past few seasons.

This rapid price advance reflected lower available supplies from many exporting countries in 1972, including Thailand itself, Burma, several South American countries, Italy, and Japan. It reflected, as well, the news of a possible decline in this year's Thai crop by 1.4 million tons. Thai prices, being tied to sterling, would have been expected to move downward after the devaluation of the British pound in 1972, but the heavy demand from abroad forced them above 1970 and 1971 levels during the last half of 1972.

The rise in Thai prices resulted also from the Thai Government's decision to reinstate its export premium and require exporters to deliver to public storage 10 percent of the rice planned for shipment in any contract. Inability to ascertain just how much rice is available for export will continue to be a strengthening influence on prices. Even at current high world price levels, several Asian importers have resumed efforts to buy large quantities of Thai rice under commercial terms, finding supplies often unavailable elsewhere.

Many importing countries have been reluctant to buy rice at the high price levels of 1972. A few were able to rely on stocks of rice and on imports and stocks of other grains, thus forestalling rice purchases for the present. Dwindling supplies and rising domestic prices, however, may cause them to increase imports in 1973.

IN 1971, AFTER the Republics of Korea and the Philippines sharply raised their purchases, world rice trade increased by over 300,000 tons. In 1972, Philippine purchases rose again, by over 60 percent, and those of Bangladesh also sharply increased. Total world trade, however, fell by almost 300,000 tons.

World rice imports in 1973 will depend largely on the success of various Asian efforts to achieve a recovery in foodgrain output. Before Asian nations complete their rice harvesting in 1973, (the bulk of it in November-December), some may again be forced to go to the world market for additional foodgrains.

Increased import demand in the first half of 1973 will occur at a time when combined carryover stocks in the United States, Thailand, and other major exporting countries, though substantial, will be down. Therefore, world rice prices seem likely to remain relatively high at least until the U.S. crop is harvested in August.

Higher prices for imports in 1973 and the prospects for greater earnings from rice exports should help to stimulate increased plantings in Southeast Asia in the coming season, just as in the period following the mid-1960's. A good monsoon on top of an increase in area planted next summer could help Asia recover from this season's low production level. Thus, slackening of the tight supply situation that now exists in the world rice economy is possible by early 1974.

If the harvest in late 1973 is not greatly improved and Asia's tight supply situation remains unabated throughout 1973, world import requirements could reach mid-1960 levels.

The EC Nine And EFTA Negotiate On Farm Trade

The enlarged European Community—which since January 1, 1973, has included Ireland and two former members of the European Free Trade Association (the United Kingdom and Denmark), in addition to its original six members—has completed trade agreements with all but two of the remaining seven EFTA members.

Agreements with Switzerland, Sweden, Austria, Portugal, and Iceland went into effect January 1, and duty reductions will begin April 1. An agreement with Finland was negotiated last summer but has not yet been signed. A similar agreement will probably be negotiated with Norway.

The agreements will eliminate duties among the signatories on most industrial products by July 1977. Agricultural products are generally excluded, but certain ones will be granted preference, usually falling short of duty-free treatment, through special protocols to the agreements or through supplementary understandings.

For example, each agreement has a protocol on processed items with agricultural components. There is an additional protocol for Portugal concerning concessions by the EC and by Portugal; of most interest to the United States on the EC side are dried leguminous vegetables, other dried vegetables (except onions), and walnuts, and on the Portuguese side, wheat, corn, and barley. In addition, Switzerland, Austria, and Sweden exchanged letters with the Community involving certain understandings on live cattle, fresh and chilled beef, and bulbs.

Imports of all these commodities from the United States into the six original EC members, the three new members, the five EFTA signatories, and Finland amounted to somewhat over $72 million in 1970.

The processed items include sauces, soups, breakfast cereals, and preparations of flour, starch, and malt for use as infant or dietetic food. The concessions on them, to be reached in stages by 1977, usually consist of eliminating or reducing a fixed duty while leaving in effect a variable charge on the agricultural component.

Imports of these items from the United States in 1970 amounted to $3.8 million for the six original EC members, $4.3 million for the three new members, and $2.6 million for the five EFTA signatories (and Finland) making a total of $10.7 million.

The additional protocol for Portugal includes some commodities on which the Community will give tariff concessions to Portugal and others on which Portugal will undertake obligations—not yet clearly defined—with respect to the Community's share of the Portuguese market.

Imports from the United States in 1970 of the six items of most U.S. interest (dried leguminous vegetables, other dried vegetables except onions, walnuts, wheat, corn, and barley) were $16.6 million for the six original EC members, $17.2 million for the three new members, and $27.5 million for Portugal, totaling $61.3 million.

In the exchange of letters between the Community on the one hand and Switzerland, Austria, and Sweden on the other, the concessions of most interest to the United States concern a change in the Community's method of calculating the import levy on live cattle and fresh and chilled beef and the elimination by Sweden of a specific duty on certain bulbs.

Imports of these items from the United States in 1970 were $100,000 for the six original EC members, $40,000 for the three new EC members, and $100,000 for the three EFTA countries involved, making a total of $240,000.

—By Robert G. Harper
Trade Policy Division
Foreign Agricultural Service

GROUPS OPPOSE FRUIT AND VEGETABLE CAP

The European Community's new Common Agricultural Policy market regulation for fruits and vegetables has drawn sharp criticism from the Chambers of Commerce of the North Sea Harbors and from German consumer organizations.

In a letter to the EC Commission in late November, the Chambers of Commerce in Amsterdam, Antwerp, Bremen, Ghent, Hamburg, and Rotterdam expressed strong misgivings about the revised version of the fruit and vegetable CAP adopted by the Council of Ministers on November 21. The planned revision, they said, will have far-reaching effects on an important part of the trade carried on in their harbors, and some EC members may use the new schedule of import reference prices to further protect their own production from third country imports.

The Chambers added that in the future when regulations for reference prices are considered, transportation costs incurred by EC producer countries exporting to EC consumer countries will have to be viewed more critically. The Chambers also think that the possibility of limiting imports to shipments that meet certain quality specifications will injure trade. The Chambers pointed out that restricting imports because of market gluts not only increases the risks of importers, but also increases the degree of protection against third country imports.

Criticism was also sharp against the manipulation of prices in the Community according to political criteria. The Chambers' real fear is that the new CAP will in the long run contribute to a strong production increase in the EC and lead to large surpluses. The Chambers recognize that some member countries view this measure as a means for increasing incomes, but they believe this goal could be better accomplished through improvements in structural and regional policy measures than through programs that hinder trade with third countries.

German consumer groups have moved into a more active role in opposing further changes in the CAP price structure. The Consumer Committee in the Ministry of Agriculture and the Consumer Association, Verband der Verbraucherverbaende, for example, voiced objections in early November to the proposed CAP modification. However, despite this protest and the fact that Germany's October 1972 price index showed increases of 21 percent for fruit and 12 percent for vegetables over October 1971, the new CAP was accepted by the Council of Ministers.

What appears to have been overlooked by the Council of Ministers is the importance of fruit and vegetable trade to West Germany. That the trend of imports is up is not nearly as important as the fact that the country currently imports more than $7 billion of fresh fruits and vegetables a year.

U.S. Cotton Sales May Double in The Important West European Market

By H. REITER WEBB, Jr.
Cotton Division
Foreign Agricultural Service

Textile mills in Britain and West Germany.

WITH COTTON RETURNING to the fashion forefront in Europe and U.S. prices remaining competitive, U.S. cotton is making a dramatic comeback this season in the important West European market. In fact, indications are that U.S. cotton sales there during the year ending July 1973 could double their 500,000-bale level of recent years as they gain up to 20 percent of the 5-million-bale market, compared with as little as 5 percent in recent years.

This would be the first time in years that the United States has been able to make such advances in the market, where its share recently has been as low as 5 percent.

These are the findings of the U.S. Cotton Trade Mission to Western Europe,[1] which in November 1972 traveled to the six most important markets of the region—the United Kingdom, France, Belgium, Italy, Switzerland, and West Germany—to assess prospects for U.S. cotton and to meet with cotton millers, importers, and other members of the trade.

During the 3 weeks that the U.S. cotton mission was in Western Europe, the market was quite strong. U.S. cotton was generally reported to be fully competitive in price with other growths and selling freely, although offers were limited for early delivery because of the heavy crush of sales already made for shipment through January.

Demand was reported to be strong for cotton textile products in the countries visited, with the textile trade stating repeatedly that cotton was fashionable and the preferred fiber for many end uses today. However, European mills are concerned about instability of cotton prices and supply during the past 2 years and expressed fear that another period of short supply and unrealistically high prices might result from the reduction in the U.S. acreage allotment for 1973.

This concern seems to have arisen largely because of a misunderstanding of the U.S. program. European mills and merchants believed that the program meant a mandatory cut of 1.5 million acres in planted acreage. The team attempted to explain that the cut in the payment base does not restrict growers from planting additional acreage and that market conditions would probably determine the actual amount of cotton produced in 1973.

Much concern was also expressed over the current shortage of high-grade cotton that has resulted from excessive rain at harvesttime in many of the producing countries.

In the United Kingdom, the team encountered an unusual problem centering around worry about a further devaluation of the pound sterling. Several mills felt cotton prices would dip in the near term, particularly for lower qualities, but were afraid that any savings gained by waiting for reduced prices might be offset by a loss in value of their currency. Thus, British mills were in the uncomfortable position of trying to predict both the cotton and foreign exchange markets at the same time.

The team found that one problem retarding U.S. sales to West European countries was a lack of information about the quality and variety of the U.S. crop. Several mills indicated that they were unaware of certain qualities

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[1] **Besides Mr. Webb, the team included George D. Bennett, Harlingen, Texas, and Berson Frye, Fresno, Calif., representing the American Cotton Shippers Association; J. Russell Kennedy, Bakersfield, Calif., AMCOT, an organization of U.S. cotton marketing cooperatives; and Leslie S. Rogers, Brussels, Belgium, Cotton Council International.**

available from the United States, and, in some instances, the mission believes it was instrumental in selling U.S. cotton by providing such information.

It is obvious that there is no substitute for U.S. interests making personal contact with their European customers and taking the time to explain what the United States produces and can offer for sale.

There are also a number of excellent materials available that can assist in informing European buyers about the U.S. crop. These include a map prepared annually by the Cotton Council International showing cotton varieties planted in various sections of the Cotton Belt and the *Fiber and Process Test Results* bulletin issued by the Agricultural Marketing Service.

There is considerable interest in Europe in container shipments, but a number of problems remain to be solved.

If maximum advantage is to be taken of containerization, cotton must be shipped through to the textile mill without intermediate unloading. Since German mills buy with a rejection clause, it appears that cotton sold to that market must be approved and accepted before shipment to avoid the problem of having a few bales rejected at destination. Some mills reported problems in unloading containers because they were packed too tightly and expressed preference for open-top containers which can be readily unloaded by cranes.

As far as acceptance of U.S. cotton is concerned, it appears that the United States has finally lived down its reputation for overginned cotton produced in the early 1960's, and U.S. cotton now seems to be generally accepted in Europe as a quality fiber. The major quality disadvantages are neps and, to a lesser degree, lack of uniformity because of the large number of seed varieties and producing areas in the United States. However, European customers generally recognize that recent U.S. cotton crops are longer and stronger, have less waste, and process well. The increase in length and strength is particularly important because of ever faster spindle speeds.

As is always the case in the European market, U.S. cotton faces competition from many growths. Colombian and Ugandian cottons seem to have acquired good reputations for spinning quality in Europe. Turkish, Syrian, and Iranian cottons were also mentioned frequently as being used in the same mixes as U.S. cotton.

Soviet cotton was often mentioned since it appeared to be the only fairly large supply of high-grade cotton in the world at the time of the mission's visit. However, price increases have since dampened interest.

A surprising number of mills expressed interest in Tanguis cotton.

Apparently, the supplies of Tanguis cotton available from Peru are not adequate to meet demand, and team members were asked on several occasions if the United States could produce Tanguis or a substitute. Members responded that production of Tanguis has not proved to be economic in the United States and pointed out that a limited amount of 1⅛" cotton with 5.0 or higher micronaire is produced in the Memphis territory.

The program of orientation visits to U.S. cotton areas for foreign spinners was praised by West European importers, and was considered a success in better informing buyers on the conditions of U.S. cotton. Foreign buyers were more inclined to buy U.S. cotton as a result of the orientation, with strong loyalty to U.S. cotton being developed.

U.S. Farm Exports Surge to High Of $9.4 Billion in Calendar 1972

By DEWAIN H. RAHE
Foreign Demand and Competition Division
Economic Research Service

New East-West trade relationships, rising world food needs, and economic prosperity—combined with weather-reduced world supplies of food and feed—were among the factors accounting for the 22-percent rise in the value of U.S. farm exports in calendar 1972.

The dramatic upswing in exports occurred mainly in the last half of the year, boosting export value to an unprecedented $9.4 billion. As expected, booming sales of grains and products accounted for nearly two-thirds of the rise in export value.

Two-thirds of the $1.7 billion gain was due to volume increases, especially for wheat and tobacco, with moderate gains for soybeans, nuts, fruits, and vegetables. Only about a third of export growth was caused by price rises—up for cattle hides, soybeans, soybean meal, most fruits, nuts, and vegetables, cotton, tobacco, meats, wheat, and rice.

Surging exports boosted the U.S. agricultural trade balance by over $1 billion to nearly $3 billion, despite an 11-percent advance in U.S. imports of farm products to $6.5 billion last year. This rise helped to offset the country's trade deficit in nonfarm products, which mounted to about $9.4 billion in 1972 from a deficit of $3.8 billion in 1971 and a surplus of $7 billion in nonfarm production in 1964.

In many ways, 1972 proved an unusual year for U.S. agricultural exports. Early in the year, trade was brisk, as shipping resumed after longshoremen's strikes in late 1971. Plunging grain supplies and poor harvests in major producing countries caused importers to turn to the United States for wheat and feedgrains. World exportable rice supplies fell sharply, as output declined in Burma and Thailand—Asia's largest rice exporters.

Protein supplies were also scarcer in 1972, while demand for protein climbed, as livestock production continued to expand, especially in Japan and in most West European countries.

Peruvian fishmeal production dropped drastically as a change in the ocean current caused anchovies to move to deeper waters. Peru placed an embargo on anchovy fishing in September 1972.

Supplies of peanuts were down in Africa and India, and sunflowerseeds were in short supply in the USSR and Eastern Europe.

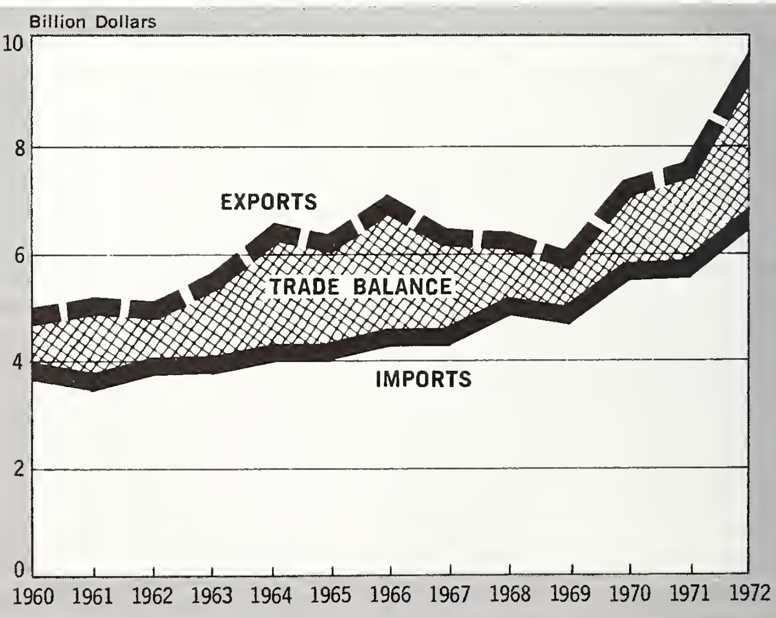
Demand for U.S. agricultural exports sharpened, responding to economic improvement in principal U.S. markets for farm products. Japan's industrial production, for example, advanced an estimated 10 percent in 1972, compared with 5 percent in 1971. In Western Europe, output jumped 5 percent against a slight 2-percent rise in 1971.

The Soviet Union emerged as a principal market in 1972, taking $438 million worth of U.S. farm products—mostly since September — compared with only $30 million in 1971. Of the grain purchased by the USSR for shipment in the 1972-73 marketing year, the United States will supply about 16 million tons, valued at $1 billion, for delivery during 1972-73.

In 1972, wheat exports to the USSR totaled $162 million (as compared to $0.7 million in 1971); corn exports totaled $167 million ($11 million in 1971); soybeans, $52 million (zero); barley, $31 million (zero); and cattle hides, $10 million ($11 million). Exports to Eastern Europe rose to $184 million from $163 million in 1971.

Exports to Japan, the top U.S. farm

AGRICULTURAL TRADE BALANCE HITS RECORD IN 1972



customer, climbed to $1.4 billion, up from $1.1 billion in 1971. Japan purchased substantially more feedgrains, tobacco, and cattle hides; somewhat more fruit (especially lemons and grapefruits), nuts, pork, and soybeans; and slightly more wheat.

Exports to other Far Eastern countries also strengthened, with grains—wheat, feedgrains, and rice—again accounting for the bulk of the increase.

Mainland China became a significant market for U.S. agricultural products in 1972. Shipments, totaling $58 million, were primarily wheat, feedgrains, and soybean oil.

Exports to Western Europe rose by 16 percent in 1972 to total $3.5 billion, compared with $3.0 billion in 1971. Oilseeds and products were the big gainers, but more grains also moved. Exports to Latin America increased 13 percent, with Mexican imports of grain improving sharply because of 1972 drought conditions.

Grains and preparations. U.S. exports of grains and products mounted by over two-fifths to $3.5 billion in 1972 from $2.4 billion in 1971, with all major grains showing substantial improvement.

Feedgrain exports rose by two-thirds to 28 million metric tons, valued at $1.5 billion. First as a demand factor was the fact that the Soviet grain harvest was dramatically down. Demand also was heightened by decreased Argentine supplies of corn and grain sorghum. South Africa's coarse grain output rose, but exports were limited by transportation capacity.

Average U.S. grain prices increased only moderately in 1972, despite an upswing in recent months. For example, wheat prices averaged $1.75 per bushel in 1972, compared with $1.69 a bushel in 1971. Corn prices in 1972 averaged $1.40 a bushel, down from $1.46 a bushel in 1971 when prices were unusually high because of the southern corn blight and unfavorable weather in some corn belt areas.

Corn sales accounted for the bulk of the export rise, spiraling to 880 million bushels in 1972 from only 506 million a year earlier. In 1971, U.S. corn exports were hampered by reduced supplies and higher prices.

Grain sorghum exports advanced to 150 million bushels in 1972 from 111 million in 1971.

Japan was the major market, taking 5.7 million tons of feedgrains, compared with only 3.7 million in 1971. The USSR took 4.1 million tons in 1972 compared with less than 240,000 tons in 1971. The United Kingdom, European Community (EC), Spain, Yugoslavia, People's Republic of China, Taiwan, Portugal, Romania, and Venezuela also expanded purchases last year.

Exports of wheat and wheat products soared to 841 million bushels in 1972 from 654 million in 1971. Wheat's high share stemmed from adverse weather in several major producing countries, leading to massive Soviet grain purchases, declines in Asia's rice supplies, and uncertainty about grain supplies in China. Concurrently, U.S. supplies were high and facilities were available to move wheat into export channels.

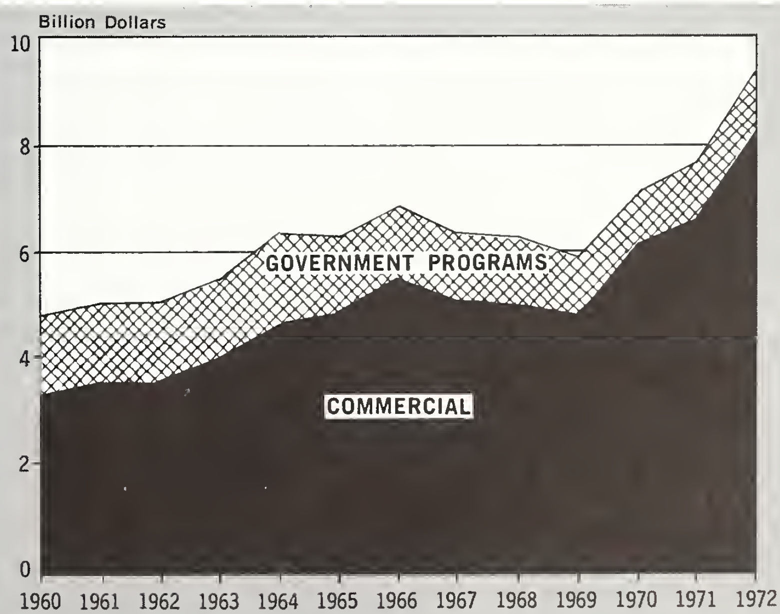
Top outlets for U.S. wheat in 1972 were the EC, Venezuela, the USSR, Japan, Pakistan, Yugoslavia, Mexico, Bangladesh, the United Kingdom, Taiwan, Uruguay, and the Philippines. However, exports to Turkey, Brazil, and India fell sharply.

The USSR became the leading outlet for U.S. wheat by taking 98 million bushels. Japan is now the second top market, importing 92 million bushels in 1972, up slightly from a year earlier. Because of a poor crop, Mexico purchased 22 million bushels of wheat in 1972 compared with 7 million in 1971. In recent years, Mexico has exported some 3 million bushels of wheat annually.

Rice shipments climbed to 44.8 million bags in 1972 from 32.6 million a year earlier. With a downturn in rice production in Burma, Thailand, the Philippines, and Latin America, demand for U.S. rice picked up sharply. Shipments under Government programs accounted for most of the gain in 1972. Substantially more rice moved to the Republic of Korea, South Vietnam, Indonesia, Philippines, Iran, Saudi Arabia, Cambodia, the Republic of South Africa, the EC, and Canada.

Oilseeds and products. Sales of oilseeds and products edged up a modest 10 percent in 1972. Soybean exports, accounting for the bulk of the increase,

COMMERCIAL AGRICULTURAL EXPORTS HIT RECORD



rose to 440 million bushels valued at $1.5 million, from 424 million bushels valued at $1.3 million in 1971.

Demand for U.S. soybeans continued to be unusually strong in both the United States and major foreign markets. But increased demand for U.S. soybeans has outpaced production gains in recent years, as indicated by the advances in unit value to $3.42 a bushel in 1972 from $3.13 in 1971 and $2.80 in 1970.

Exports of oil cake and meal dipped to 4.3 million short tons in 1972, a decrease of 500,000 tons from the 1971 level, as a result of short exportable supplies of soybean meal. Value, however, increased to $435 million from $420 million in 1971. The upturn in soybean meal prices to nearly $103 a ton in 1972 from $89 a ton a year earlier reflects the strengthened demand for U.S. oil cake and meal in world markets. Currently, the soybean meal price in Rotterdam is over $200 a ton.

Soybean oil exports totaled 1.30 billion pounds in 1972, down about 428 million pounds from 1971. Crushing of U.S. soybeans by European processors has upped world supplies of soybean oil recently.

In addition, world production of other fats and oils has expanded.

Increased supplies at attractive prices encouraged cottonseed oil exports in 1972 and U.S. sales reached 476 million pounds from 401 million in 1971. In Western Europe, this oil is replacing the sunflower oil formerly available from the USSR and Eastern Europe.

Fruits, vegetables, and nuts. Exports of fruits, nuts, and vegetables rose to $776 million from $643 million—a gain of 21 percent. The uptrend occurred for all major products.

Fruit and preparation exports jumped to $432 million—$78 million more than the 1971 level—due chiefly to higher prices. Exports were stimulated by higher personal incomes in major markets and by competitive prices, but lessened U.S. supplies of some products restricted the export potential.

Fresh citrus exports—mainly oranges, lemons, and grapefruit—gained over one-third. Although Canada accounted for over one-third of fresh citrus exports in 1972, Japan scored the sharpest rise. Grapefruit exports to Japan, benefiting from trade liberalization, rocketed to $22 million in 1972 from $3 million in 1971.

Canned fruit shipments rose 25 percent to over $62 million during 1972, with peaches and fruit cocktail accounting for the rise. In 1971, exports of canned fruits were hampered by the longshoremen's strike on the West Coast, limited U.S. supplies, and strong competition from other suppliers.

Although the quantity of dried fruit exports declined over 20 percent, value was up by 11 percent to nearly $60 million. A freeze in California sharply reduced the supplies of raisins, causing prices to move up sharply. Dried prunes were also affected by adverse weather.

Exports of fruit juices gained about 6 percent to $60 million. Increased quantities were marketed in Europe.

Exports of nuts and preparations nearly cracked the $100 million mark in 1972. Shipments of shelled walnuts to Western Europe and Japan caused much of the increase, but almond exports also showed substantial gains. New production and harvesting methods have made U.S. nuts more competitive in world markets. Exports of nuts and preparations about equaled imports in 1972. Just 5 years ago, imports exceeded exports by $50 million.

Sales of vegetables and preparations rose to over $250 million in 1972 from $212 million. Fresh, dried, and dehydrated vegetables all gained in 1972. Fresh vegetables, rising 23 percent to over $90 million, accounted for most of the increase. U.S. exports of fresh potatoes, tomatoes, lettuce, and celery showed moderate gains in 1972, while pulses were up only slightly from 1971's $52 million.

Animals and animal products. In 1972, exports of animals and animal products rose 15 percent to a new record of $1.1 billion, with approximately 80 percent of the $147 million increase due to rising shipments of cattle hides at higher per unit export values. Substantial increases also occurred for meat and meat products, poultry products, and live animals.

Cattle hide exports doubled to reach nearly 18 million pieces in 1972 and the unit value increased sharply to over $14 each, compared with slightly over $8 a year earlier.

World demand for leather products has increased with greater use of leather for coats and other apparel, as well as footwear. Consequently, the embargo on hide exports from Argentina caused world exportable supplies to decline although this was partially balanced by increased Argentine leather exports.

Japan continued to be the top market for U.S. cattle hides, taking approximately 42 percent of the total in 1972. However, exports to Europe also rose.

The value of exports of variety meats rose 14 percent to over $89 million in 1972. Higher prices due to strengthened demand accounted for the increase. Exports of fresh beef increased by 47 percent in 1972, with Canada accounting for a considerable part of this increase. But other areas, including the Caribbean, also took more U.S. beef.

Pork exports jumped to $49 million in 1972 from $25 million a year earlier. Japan accounted for most of the gain, but exports were also up to Canada. Despite higher prices and generally tight supplies, increased demand from expanding personal incomes stimulated exports of meats and products.

Exports of dairy products fell to $150 million in 1972 from $196 million a year earlier. Half of the decline was in butter but nonfat dry milk and condensed milk exports also trended downward, since increased 1972 production in the EC and New Zealand eased the dairy products shortage of the previous year. This caused the United Kingdom to purchase substantially less butter from the United States.

U.S. exports of poultry and poultry products rose 15 percent to about $90 million. Turkey exports—principally to the EC—were about 60 percent larger than in 1971 and exports of eggs and egg products were up a fourth to over $17 million. Shipments of fresh and frozen chicken were almost equal to 1971's $26 million level.

Exports of animal fats and oils declined to $212 million from $270 million in 1971. With increased supplies available on the European Continent, lard exports were off sharply to the United Kingdom. U.S. tallow exports faced increased competition from other fats and oils in 1972.

Cotton. Exports of cotton dropped by 1 million running bales to 3 million in 1972. Much of the decline occurred in shipments to the Far East under Government-financed programs. But exports also were off sharply to Japan and moderately to Western Europe.

During the last half of 1972, cotton sales were hampered by low stocks resulting from several years of reduced production. In addition, the late harvest in 1972 caused cotton to be mar-

(Continued on page 16)

Austria Offers Potential as Expanded Market for U.S. Agricultural Exports

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DESPITE STRIKING progress in its agricultural production, Austria continues to depend on volume imports from abroad. U.S. sales to Austria in fiscal 1972, although down slightly, totaled more than $27 million with sales of soybean meal surpassing all previous records. Prospects are good for increased sales.

In the current year, a market for U.S. wheat in Austria, closed for many years, has been reopened. At a recent tender, Austria purchased 42,700 tons of wheat from the United States—40,000 tons of Hard Red Spring and 2,700 tons of Durum. The Austrian Ministry of Agriculture expects to import 75,000 to 100,000 metric tons of high-protein wheat and some 20,000 tons of Durum in the 1972-73 crop year to make up for the shortage in domestic supplies caused by unfavorable weather conditions. Total wheat imports by Austria have averaged only 20,000 tons during the past 2 years.

Imports of U.S. farm products by Austria have been predominantly bulk commodities. Nongrain feeds (oilseed meals), tobacco, and grains made up 70 percent of total Austrian imports of U.S. farm products in fiscal 1972. Prospects are that this pattern will not change appreciably during the current year. Largely because of price competition requirements for most foreign farm products are supplied by European countries.

Self-sufficiency in food and feeds is considered an essential element of military neutrality—a national policy since 1955. The rate of net self-sufficiency in food has been moving between 83 and 84 percent in the past 4 crop years, exceeding the level of 25 years ago by more than 11 percent.

The movement of Austrian agriculture to the present high levels of productivity and technological competence has been generously assisted through a broad spectrum of public aid measures. For more than a decade domestic farmers have had the use of funds under the so-called Green Plan to finance projects for the improvement of rural infrastructures, farm mechanization, marketing facilities, and many other phases of agricultural operations.

Farmers also have received various price supports and input subsidies through the years as production incentives and to assure relatively low sales prices for farm staples. However, this has not been without problems.

Austrian farm policy has arrived at a crossroads. If the present system of uncontrolled agricultural production, with

Left, combine at work in the grain belt of eastern Austria. Above, lower Austrian wine grower critically examines the year's grape vintage.

its inherent growth tendencies is continued, the Government will have to provide export outlets for commodities produced in surplus—regardless of cost in terms of export subsidies. An alternative to this unpopular approach would be the institution of some type of control at the production and/or marketing levels. Officials are currently trying to develop a new policy concept in this area that will best answer the overall needs of the country's economy without imposing undue hardship on Austrian agriculture.

Under the present system, **grain** farmers are not bound to any acreage and sales restrictions except those for Durum and high-protein wheat. High yielding varieties combined with greatly increased fertilizer application and pest control have boosted Austrian grain production 56 percent in the past decade. The increase in grain acreage was a modest 7.5 percent.

Despite the current shortfall, Austria's overall grain output hovers near the self-sufficiency level most years. Given further increases in yields, the country may be faced with a grain surplus in the years ahead.

High-protein feeds, however, are not produced in nearly enough quantity to support the country's expanding livestock industry. Although requirements for protein feeds, especially oilseed meals, have increased dramatically with the advent of modern feeding technology, agricultural authorities have not encouraged production of oil-bearing crops. Accordingly, imports of oilmeal have increased impressively in the past decade.

SALES OF U.S. SOYBEAN MEAL to Austria in fiscal 1972 amounted to $10 million—breaking all previous records, with an additional $6.2 million of meal coming from European Community processors of U.S. beans. The potential for future expansion of soybean meal use in Austria is judged to be very good, due to a long-range upward trend in livestock production and a shift to formulated feeds currently in progress.

Imports of fishmeal and meatmeal also were running relatively high last year, but use of these items has lagged far behind that of oilseed meals.

While Austria has been virtually self-sufficient in such animal fats as lard and tallow for a number of years, there is a continuing import requirement for large amounts of **crude vegetable oils.**

Austrian farm girl sampling apricots in the Wachau region of lower Austria.

With limited industrial-scale crushing capacities, domestic production of such oils is negligible. In fiscal 1972, total imports of fats and oils were valued at about $37 million, with sunflower oil—mostly of east European origin—accounting for about one-third, and soybean oil for slightly over one-fifth of the total. The bulk of the soybean oil imports originated in West Germany and the Netherlands, and probably most, if not all, of this oil came from U.S. soybeans. U.S. suppliers of fat and oils in general have not been able to meet price competition by other exporting countries.

Fruit and vegetable production in Austria is limited to those crops that can be produced in a temperate climate. Requirements for a wide range of items must be covered through imports. In fiscal 1972, Austria purchased $126 million worth of fruit and vegetables from foreign countries. The U.S. share was $4.3 million, compared with $5.1 million in fiscal 1971.

With rising consumer incomes, a growing demand has emerged for tropical and subtropical fruits not available from domestic sources, particularly fruit preserves and canned fruit and canned fruit and juices. The amount of U.S. processed fruits, fruit juices, and vegetables shipped to Austria during fiscal 1972 were severely affected by the dock strike on the west coast of the United States. As a result, Austrian trade statistics indicate a decrease of 15.4 percent in purchases from the United States, compared with an increase of 13.7 percent in procurements from other sources. However, it is anticipated that the United States may recover during the current fiscal year some of this market lost to competing suppliers.

LIKELY TO HELP IN regaining this market are recent promotions of U.S. fruits, vegetables, and other food products in Austria's leading food chains.

In the past 25 years, Austria's **livestock industry** has grown into a high-performance enterprise, supplying not only the domestic market but producing for export as well. Exports of slaughter cattle, breeding stock, and beef, as well as cheese and other dairy products, have become very important to Austrian agriculture as an outlet for production in excess of domestic requirements. In 1971, the combined value of these exports was about $100 million; imports were about half that amount.

For several years the United States has been the leading supplier of raw leaf **tobacco** to Austria. However, purchases of U.S. raw tobacco, valued at $4.4 million, were off 24.5 percent in fiscal 1972, reflecting in part a shift to lower-priced grades. Also drawings from previously acquired stocks of U.S. leaf account for part of this decline. But U.S. sales are expected to rise again in the current fiscal year, since the Austrian Tobacco Monopoly is committed to incorporate specific minimum percentages of U.S. leaf in five cigarette brands. Local sales of these particular brands have been increasing consistently in past years.

Tobacco growing in Austria is maintained primarily to provide additional income to some 1,000 farmers in suitable locations. Chances that tobacco production will expand are practically zero. Therefore, the country will continue to depend on imports of raw leaf for 95 percent or more of its requirements.

About 23,000 tons of **cotton** are imported annually to cover Austria's spinning mill requirements. None is produced domestically. U.S. fiber, once the favorite spinning material with Austrian manufacturers, has all but disappeared from the Austrian market in recent years because of price competition from current major suppliers—Turkey, Brazil, and Egypt.

CROPS AND MARKETS

China Interested In Brazilian Products

Brazilian traders may be able to sell about 200,000 tons of sugar and 100,000 tons of soybean oil to Mainland China in 1973, according to an unofficial Brazilian Exporters' Association mission to China.

Forecasting sales at some $50 million, the mission head said the People's Republic of China also showed interest in Brazilian cotton and synthetic yarns, peanut and corn oil, cocoa, pepper, jute and sisal, but not coffee.

COTTON

U.S. Cotton Carryover May Be Smaller

The U.S. Department of Agriculture has announced that the carryover of all cotton at the end of the 1972-73 season is likely to be lower than stated in the *Cotton Situation* released on January 31 and the full report issued February 8. Since the *Cotton Situation* went to press, the Department has raised its estimate of 1972-73 exports to about 4.5 million bales because of large sales reportedly made by U.S. exporters early in 1973. The revised export estimate would mean a carryover on August 1, 1973, of about 4.7 million bales, the third lowest level since 1952, instead of 5.2 million as reported in the *Cotton Situation*.

A carryover of 4.7 million bales assumes a 1972 crop of 13.6 million bales as reported in the latest official cotton crop estimate, which was based on conditions as of January 1. However, as pointed out in the *Cotton Situation*, there is still some uncertainty about the final outcome of the 1972 crop because adverse harvesting conditions continued after January 1 and a relatively large quantity of cotton was still in the field on that date.

The Bureau of the Census is including a special report on cotton remaining to be ginned as a part of its February 9 report on ginnings. The special report is based on a survey of ginners throughout the United States.

World Cotton Crop Estimate Lowered

World cotton production for 1972-73 (August-July) is estimated at 59.3 million bales (480 lb. net). Although this is about 2 million bales higher than the record harvest of last season, the current estimate represents a reduction of 1.1 million bales from the first estimate in November.

U.S. production is now estimated at 13,567,000 bales, down from 14 million in early season; and foreign output has been lowered to 45.8 million from 46.4 million estimated last November. The reduction in foreign production is about equally divided between Communist and non-Communist countries.

Crop prospects have deteriorated significantly since last November in Pakistan and Turkey and to a lesser extent in Mexico, Nicaragua, Colombia, and possibly Rhodesia. Crops in Brazil, Egypt, and Sudan were revised upward. The USSR crop is now estimated at 11.5 million bales, up from 11.1 million in early season, but that increase may be more than offset by a drought-reduced harvest in Mainland China.

World cotton area is now placed at 82.8 million acres, about 3 percent higher than in 1971-72. Indicated world acreage and production gives an average yield of 344 pounds, slightly more than last season.

Statistics by country will appear in the February 28 issue of *World Agricultural Production and Trade*.

SUGAR AND TROPICAL PRODUCTS

World Cocoa Bean Crop Lower

World cocoa bean production during the October-September 1972-73 season is expected to approximate 1.50 million metric tons, down about 3 percent from the record 1971-72 harvest of 1.56 million tons. African production is forecast at 1.09 million tons, off 6 percent from the preceding year's harvest of 1.16 million. South American production is estimated at 289,100 tons, an increase of 10 percent from the 1971-72 outturn of 263,000 tons, reflecting prospects for a large Brazilian harvest.

Estimates for the major producing countries in thousands of tons are as follows, with 1971-72 data in parentheses: Ghana, 430 (460); Nigeria, 280 (263); Ivory Coast, 190 (224); Cameroon, 105 (123); Brazil, 195 (165); Ecuador, 53 (58); and Dominican Republic, 35 (41).

A detailed table will appear in the February 28 issue of *World Agricultural Production and Trade*.

Trinidad and Tobago's Sugar Output and Exports Up in 1972

Trinidad and Tobago's sugar production in 1972 was 228,315 long tons, an increase of 6.6 percent from the previous year's 214,100 tons. Continuing unseasonable and often heavy rainfall prolonged harvesting into the normal rainy season, and at the end of the harvest approximately 90,000 tons of cane were left standing in the fields.

Because the rains caused an increase in the cane to sugar ratio, molasses output rose from 12.7 million imperial gallons to 13 million gallons.

Sugar production in calendar 1973 is expected to top 230,000 long tons, while molasses output is forecast at about 12.7 million gallons, the same as the 1971 level.

It is estimated that 187,298 long tons of sugar were available for export in 1972, 8.2 percent more than the 173,125 tons exported in 1971.

The Trinidad and Tobago Government encouraged refining plants to process as much sugar as possible in 1972 to strengthen its bargaining position with the European Community on access of sugar to the EC after 1974. In recent years, EC output of sugarbeets has risen while cane production in the Caribbean country has not increased.

Kenya's Tea Output Up

Reflecting favorable growing conditions and increased acreage, Kenya's 1972 tea crop was at an alltime high. Production during January-October 1972 totaled 42,699 metric tons, up 53 percent over the corresponding months of 1971. Total production in 1971 was 36,290 tons, and the harvest through the first 10 months of 1972 exceeded the record 1970 outturn of 41,077.

If weather conditions remain favorable, 1972 production will likely exceed 50,000 tons.

Record Brazilian Pepper Crop

Brazil's 1972 pepper crop is estimated at a record 16,500 metric tons, up from the large 1971 harvest of 15,800. The State of Pará is continuing to provide technical and financial aid to growers in efforts to increase production substantially during the next several years.

Brazilian exports of black and white pepper in 1971 were a record 17,326 tons valued at $14.9 million, up from 1970 shipments of 9,018 tons ($8.2 million).

U.S. imports of Brazilian pepper in 1971 totaled 6,133 tons worth $5.1 million.

LIVESTOCK AND MEAT PRODUCTS

Bank Loan To Boost Cattle and Crops in Dominican Republic

The Inter-American Bank recently approved a $24.8-million loan to promote agricultural development in the Dominican Republic.

It is to be carried out in six zones of the country—three devoted to mixed crop and livestock production and three to livestock only, on a total of approximately 988,000 acres. The program will benefit an estimated 300,000 persons. Most of them are small- and medium-scale farmers and cattlemen.

The program for agricultural modernization, to be executed by the Ministry of Agriculture, will coordinate and expand all farm and livestock research programs, will expand extension services, and will form a livestock breeding center which will distribute approximately 2,500 head of breeding stock to help improve the quality of national herds.

Loans and credits will be granted to approximately 8,000 independent small- and medium-scale farmers, to promote the production of beef and dairy cattle and food crops which form part of the basic Dominican diet, such as rice, beans, oilseeds, corn, and tubers.

France Suspends Tax on Beef

France's 7.5 percent value-added tax on beef was suspended January 1 as part of an anti-inflationary package recently announced by the French Government. While beef price rises this year have contributed to the estimated 6.9 percent increase in French retail prices, the official forecast of a 7 percent decline in cattle slaughter for the first half of 1973 was probably the major factor that resulted in beef being singled out for tax suspension.

GRAINS, FEEDS, PULSES, AND SEEDS

Foodgrain Rations Cut in Drought-Hit Indian States

Distribution difficulties with available foodgrain stocks have caused two more drought-affected Indian States to reduce rations supplied through "fair price" food shops.

Cuts in foodgrain rations were made in West Bengal and Bombay in early December. Now, the monthly foodgrain ration in Rajasthan is said to have been reduced from 17.64 pounds per person to 8.82 pounds, and reportedly even this amount is sometimes not available. The monthly wheat ration in Gujarat has been cut from 15.43 pounds to 11.02 pounds.

Expected arrival of currently-programmed foodgrain imports—scheduled to begin in late January—may improve the situation, but substantial increases in supplies to deficit States appear unlikely until the harvest and procurement of the next spring-harvest crop, primarily wheat, during April and May 1973.

Grain Exports and Transportation Trends: Week Ending January 26

Weekly export inspections of wheat, feedgrains, and soybeans totaled 1.78 million metric tons for the week ending January 26—a 4-percent drop from the week before but still 15 percent above the December weekly average.

Inland transportation was again at a very high level during the week. Railcar loadings of grain totaled 35,761 cars, the second highest weekly total recorded this fiscal year. Data on barge shipments of grain were unavailable.

GRAIN EXPORT AND TRANSPORTATION TRENDS: WEEK ENDING JANUARY 26

Item	Week ending Jan. 26	Previous week	Weekly average, December	Weekly average, second quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections for export:				
Wheat	688	785	572	557
Feedgrains	869	750	637	595
Soybeans	221	319	333	351
Total	1,778	1,854	1,542	1,503
Inland transportation:				
Barge shipments of grain	(1)	599	429	559
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	35,761	36,957	31,308	30,923

1 Not available.

CCC Credit Exports Up for First Half of Fiscal 1973

Shipments for the first half of fiscal 1973 under the CCC Export Credit Sales Program totaled $338,198,630, compared with $139,328,585 for the same period the previous year. Wheat was the leading commodity, totaling approximately $168 million, followed by corn at $84 million, and cotton at nearly $28 million.

The 6-month total includes $125.5 million in credit sales to the Soviet Union—corn valued at nearly $51 million and

wheat at nearly $75 million. Total CCC credit registrations to the USSR were $411.6 million in early January, including the above shipments.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Feb. 7	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	3.17	0	1.98
USSR SKS-14	([1])	([1])	1.87
Australian FAQ[2]	2.86	−12	([1])
U.S. No. 2 Dark Northern Spring:			
14 percent	2.92	−14	1.93
15 percent	2.94	−13	1.97
U.S. No. 2 Hard Winter:			
13.5 percent	2.87	−7	1.80
No. 3 Hard Amber Durum	3.05	0	1.82
Argentine	([1])	([1])	([1])
U.S. No. 2 Soft Red Winter	([1])	([1])	([1])
Feedgrains:			
U.S. No. 3 Yellow corn	2.20	+3	1.43
Argentine Plate corn	2.40	0	1.60
U.S. No. 2 sorghum	2.41	+14	1.50
Argentine-Granifero sorghum	2.40	+14	1.53
U.S. No. 3 Feed barley	2.00	+3	1.25
Soybeans:			
U.S. No. 2 Yellow	6.60	−1	3.46
EC import levies:[3]			
Wheat[4]	[5].98	+10	1.65
Corn[6]	[5].80	+17	1.09
Sorghum[6]	[5].55	+13	1.02

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] The grain levies in the new member countries are reduced by the following amounts through July 31, 1973: Wheat—United Kingdom, $1.31; Denmark, $0.29; Ireland, $0.23. Corn—United Kingdom, $1.02; Ireland, $0.63. Sorghum—United Kingdom, $1.03; Ireland, $0.68. [4] Durum has a separate levy. [5] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [6] Italian levies are 21 cents a bu. lower than those of other EC countries.

DAIRY AND POULTRY

West German Imports Of U.S. Poultry Meat Up

West German imports of poultry meat from the United States during January-September 1972 totaled 6,761 metric tons, 10 percent more than in the first 9 months of 1971.

Imports from the United States during the third quarter of 1972 showed a quantitative increase of almost 36 percent compared with the same period in 1971. Most of the gain was in turkey parts—thighs and drumsticks, as well as poultry livers. The rise in imports of drumsticks and thighs is attributed to consumer preference that could not be satisfied after the largest German turkey slaughtering plant went bankrupt.

The increase in U.S. shipments includes new further processed cooked poultry meat products. This reflects demand for high-quality poultry meat specialties and the market development activities by U.S. poultry cooperators working closely with German importers. Import charges for cooked poultry products are bound by the General Agreement on Tariffs and Trade at a maximum 17 percent ad valorem.

Total domestic production of poultry meat in West Germany in 1972 is estimated at 276,000 metric tons, only 1 percent higher than in 1971. Total imports of poultry meat for 1972 will probably increase by 8 percent.

Italians Celebrate 'Turkey Day'

"Turkey Day" was recently held in Varese, Italy, as part of an effort to boost turkey meat production. The joint effort by the Varese Chamber of Commerce and the College of Veterinary Science at the University of Milan focused on technical problems of raising turkeys and control of turkey diseases.

As an Italian consumer item, turkey is considered to be at the same stage today as chicken was 20 years ago. Because internal demand is increasing faster than production, additional turkey has been imported. At present most of the imported turkey is frozen and comes from the United States, Israel, and Eastern Europe. U.S. exports totaled $762,000 in 1971.

So far the problems inhibiting turkey production have been the seasonality of consumption, and the reluctance of retailers to offer turkey regularly. Recently, however, Italian housewives have begun to buy more poultry meat because of the soaring cost of beef.

FATS, OILS, AND OILSEEDS

Canadian Rapeseed Incentives

Canadian Federal and Provincial Government officials are reported discussing an incentive program to keep 1973 production of rapeseed at least at the 1972 level. Proposals for the incentive program—the details of which are not available—have been submitted by the Rapeseed Growers Association, the trade, and the Alberta Department of Agriculture. These organizations (and virtually all other sectors of Canadian agriculture) are concerned that buoyant wheat prices may reduce rapeseed plantings.

World Flaxseed Output Down 7 Percent in 1972

World flaxseed production is now estimated at 2.57 million metric tons, the lowest volume of world production since 1967. World flaxseed output in 1972 was 6.6 percent or 182,000 tons below the 1971 total and 36.9 percent or 1.5 million tons below the 1970 total.

Among the world's three major producer-exporter countries, Canada, the United States, and Argentina, 1972 flaxseed harvests are estimated at 483,000 tons, 353,000 tons, and 345,000 tons respectively, for a net decline from the previous year's output of 164,000 tons or 12.2 percent. Combined stocks of flaxseed and linseed oil in the above three countries at the beginning of their respective 1972-73 marketing years totaled 1.35 million tons, seed equivalent basis, against 1.99 million tons a year earlier, and total supplies for 1972-73 declined by 800,000 tons or 24 percent.

Canada, the United States, and Argentina together accounted for over 90 percent of world flaxseed-linseed oil exports during the 5-year period 1967-71.

Statistics by country will appear in the February 28 issue of *World Agricultural Production and Trade.*

1972 Agricultural Exports Rise (Continued from page 10)

keted later than usual.

Foreign demand for U.S. cotton continued to be relatively strong. Export unit value in 1972 averaged $162 per running bale, up sharply from $141 per bale in 1971.

Tobacco. Exports of tobacco, including bulk smoking tobacco, totaled 635 million pounds in 1972, up substantially from the 504 million in 1971. Value totaled $672 million—up one-third. Exports delayed by the longshoremen's strike in October-November, 1971, moved out early in 1972 to account for the bulge in calendar year exports. Fiscal year exports ending June 30, 1973, are expected to reflect a continued decline.

In 1972, exports gained to the EC and other West European countries, and to Japan and many Far Eastern countries. An uncertainty about Rhodesia's future as a tobacco exporter caused many importers to buy from the United States only for current needs. In recent years, U.S. tobacco has been facing increased competition from many developing countries. In addition, the use of filter cigarettes, which require less tobacco per unit, is expanding.

Flue-cured tobaccos accounted for most of the increase, but exports of burley and Maryland tobaccos also gained. The export unit value of all tobacco averaged $1.06 a pound in 1972, compared with $0.98 a year earlier. U.S. prices of tobacco have shown an upward trend during the past decade, stimulating production overseas and slowing the growth of U.S. exports.

U.S. AGRICULTURAL EXPORTS: VALUE BY COMMODITY
CALENDAR YEARS 1969-72

Commodity	1969	1970	1971	1972	1971-72 Change
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
Animals and animal products:					
Dairy products	133	147	196	150	−23
Fats, oils, and greases	167	248	270	212	−21
Hides and skins, excl. furskins	151	144	155	294	+90
Meats and meat products	156	132	151	204	+35
Poultry and poultry products	81	82	78	90	+15
Other	57	113	124	171	+38
Total animals and products	745	866	974	1,121	+15
Grains and preparations:					
Feedgrains, excluding products	860	1,064	972	1,522	+57
Rice	347	313	256	388	+52
Wheat and major wheat products	857	1,136	1,112	1,485	+34
Other	53	69	94	101	+7
Total	2,117	2,582	2,434	3,496	+44
Oilseeds and products:					
Cottonseed and soybean oil	128	244	311	240	−23
Soybeans	822	1,228	1,327	1,505	+13
Protein meal	284	358	420	435	+4
Other	91	98	131	225	+72
Total	1,325	1,928	2,189	2,405	+10
Other products and preparations:					
Cotton, excluding linters	280	372	583	503	−14
Tobacco, unmanufactured	540	517	496	672	+35
Fruits and preparations	325	337	354	432	+22
Nuts and preparations	43	69	77	93	+21
Vegetables and preparations	214	219	212	251	+18
Other	336	369	379	439	+16
	1,738	1,883	2,101	2,390	+14
Total	5,925	7,259	7,698	9,412	+22